

OFFICE OF THE GOVERNOR
STATE OF MONTANA

STEVE BULLOCK
GOVERNOR



MIKE COONEY
LT. GOVERNOR

April 5, 2016

Bob Rowe
NorthWestern Energy
40 E. Broadway
Butte, MT 59701

Dear Bob:

We are all concerned about the future of Colstrip, the community, workers, and the valuable electricity that is provided by those facilities, both for in-state consumption by Montanans and for export to our neighbors. In particular at this time, I am concerned about the future of Colstrip Units 1 and 2, which are jointly and equally owned by Talen Montana and Puget Sound Energy, and Unit 3, which is owned by Talen, Puget and other partners. As you know, there has been a lot of discussion around the future of those units and whether Talen and Puget will sell or even close them.

Last week you and I discussed this matter and I appreciate your time and candor during that discussion. I inquired about the possible interest of NorthWestern Energy in acquiring those facilities, and you noted the potential long-term benefits. During that discussion (and later as a panelist during the Montana Energy Expo in Billings) you also conveyed very real and understandable obstacles to any effort by NorthWestern to acquire those interests, including: the interest of industrial customers; the support of the Legislature and Public Service Commission; and the environmental cleanup and associated liability. I fully appreciate those concerns, as well as your concerns about NorthWestern Energy acting as a merchant seller of electricity, as opposed to a regulated utility.

However, given the significance of this issue we must make every effort to explore alternative ownership of Colstrip Units 1, 2 and 3. I know you share my concern for a responsible made-in-Montana energy future

I intend to convene a working group to support the possible interest of NorthWestern (or another party) and associated efforts to review whether a transfer of ownership of Colstrip Units 1, 2, and 3 is workable. I have spoken to Talen and Puget, and both are willing to participate. The working group would receive assistance from any and all Departments of Montana state government, as necessary, and technical assistance from the U.S. Department of Energy.

I trust you see the merits in exploring such a path, and I look forward to working with you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Steve Bullock", written over a horizontal line.

STEVE BULLOCK
Governor